

**Speech by the Chairman of the Board of Management,
Ola Källenius
on the occasion of the Annual General Meeting of the
Mercedes-Benz Group AG
Stuttgart, April 29, 2022**

Check against delivery!

Ladies and Gentlemen!

Welcome to the 2022 Annual General Meeting.

A very special one: The first as Mercedes-Benz Group.

As significant as this day is for our company, it seems insignificant at the moment.

We all follow the latest news. We are very concerned about the situation in Ukraine.

We can make a small contribution to ensure that some of the people affected are not completely helpless.

The willingness to help is also great at Mercedes-Benz. This is reflected in the many actions of countless colleagues. As a company, we are supporting the German Red Cross financially and with the donation of vehicles.

The first step is to alleviate people's distress, making sure they have a roof over their heads and access to food and medical care.

At the same time it is clear: People need more than shelter and food in the long term. People need to see a way forward, to understand how they might improve their situation, especially children and teenagers. This is a challenge where everyone is needed: The state. Civil society. And the economy, too.

I would like to tell you a short story about a young man who came to our company. His start in life was as bad as it could be. At the age of ten he became an orphan. No one had a plan for his future. He got a lucky break: A charitable institution in Reutlingen, Germany, took him in. He was given training. And one of his instructors quickly understood that the boy had serious potential.

He promoted his student intensively. The instructor started a new job in a prestigious company. And he made sure that his protégé stuck with him. You may be wondering: What became of him? A maintenance technician? A software engineer? Maybe a board member?

There are many stories like this at Mercedes-Benz. But this young man has a historic significance for us - and for the entire automotive industry.

His name was: Wilhelm Maybach. And his patron was none other than Gottlieb Daimler. They were a congenial team. Wilhelm Maybach became famous as the "King of Designers". In 1901, he built the first Mercedes. In our Maybach models today, his name stands for the absolute luxury class in automotive engineering.

Now you may be thinking: Wilhelm Maybach was not on the run. That's right. He was born in Heilbronn, Germany. The point is: Wilhelm Maybach was a penniless orphan. His social status comparable to the conditions of numerous Ukrainian families today. Many have to leave everything behind.

Daimler gave Maybach an opportunity. As a result he was able to participate in the creation of one of the most important industries. And that's the point: Opportunities and prospects. As a company, we want to continue to make our contribution. Like so many others.

We are addressing the Ukrainian refugees directly, in their language. We provide information about jobs at Mercedes-Benz on our website as well as on specific job boards.

With all the suffering we see these days: The reaction of European societies is encouraging. The attack on Ukraine is a serious violation of the peace order in Europe. It has brought us peace and prosperity since the end of the Cold War.

This conflict also indirectly affects our company and our business. Mercedes-Benz has stopped exporting vehicles to Russia. We have suspended local manufacturing in Russia. We are monitoring the situation closely. And we continuously re-evaluate it. We want to minimize risks and secure our supply chain.

This conflict clearly demonstrates to us: The challenges facing the global economy continue to grow. Our mission is to prepare your company for this in the best possible way. At the same time, we want to make further progress on our strategic course.

Fiscal year 2021

Despite ongoing pandemic and supply shortages: At last year's Annual General Meeting, we set our sights high.

- First, accelerating the electric initiative.
- Second, increasing financial robustness.
- And third: The creation of two independent companies.

Where do we stand today?

We implemented the new corporate structure in record time. Daimler Truck is on the stock exchange. And now also in the DAX. Both companies are taking a focused approach to the future.

At Mercedes-Benz, we have once again accelerated the implementation of our strategy. We succeeded in translating it into fascinating products and financial success:

We sold 2.3 million cars and vans. Sales reached 168 billion euros, including the truck business until the spin-off.

We more than doubled adjusted EBIT to 19.2 billion euros.

Free cash flow increased to 8.6 billion euros.

Our proposal for the dividend: 5 euros per share.

Our thanks for these results goes to our colleagues. The past year was challenging and they successfully tackled it with flexibility and teamwork.

This is also crucial to remaining successful in 2022. We have built momentum. And we still have a lot of potential. For Mercedes-Benz, the journey has only just begun.

This year, there are five tasks in particular. That's what I would like to talk about today.

Limiting the impact of supply bottlenecks

First, we want to limit the impact of supply bottlenecks.

We do not know today when the bottleneck in semiconductors will ease. But the situation should improve this year.

At the same time, the conflict in Ukraine is worsening bottlenecks for certain components. The situation is volatile. But I emphasize: Production in our plants is up and running. We respond to fluctuations with a high degree of flexibility. The electric offensive remains a top priority. And of course we are in close exchange with all our suppliers.

The war in Ukraine and its economic consequences make it clear once again: We must reduce our dependence on fossil fuels in the long term. For many reasons, especially also for climate protection.

Our long-term strategic goal is CO₂ neutrality. We aim to be halfway there by 2030. This year, we will make further progress in this regard. That is my second point.

Scaling electromobility

In 2021, we presented four all-electric models. And the product offensive continues. Ten days ago was the world premiere of the new EQS SUV. It is our first all-electric luxury SUV. It has everything our customers appreciate about the EQS, coupled with the benefits of a luxury SUV. We are confident: The car will become a worldwide success.

It is produced at our plant in Tuscaloosa, USA. The batteries also come from there. In March, we opened our latest battery factory not far from the passenger car plant.

In the future, we will also produce the batteries for our next all-electric model there: The new EQE SUV, which will celebrate its world premiere this year. This means that our portfolio will include nine Mercedes EQ models.

Products in the vans segment are also going electric. The eCitan, EQT and the next generation of the eSprinter are in the starting blocks.

For vans and passenger cars, we take a holistic approach. We want to build sustainable vehicles sustainably. Our own sites for passenger car, van and battery assembly are producing CO₂ neutrally as of this year. In the future, we will generate even more green electricity ourselves.

We have also made CO₂ emissions a central award criterion for our purchasing. Suppliers who account for approximately 90 percent of our purchasing volume will only supply us with CO₂ neutral products in the future.

In addition, we are building our own recycling plant in Kuppenheim, Germany. It is scheduled to open in 2023. This is how we will reclaim valuable raw materials.

At the same time, we need an active raw materials strategy in Europe. Because access to raw materials is crucial for the electric and digital transformation as well as for the competitiveness of the European economy.

The successful electric ramp-up enabled us to undercut our CO₂ targets in Europe in 2021. The target was 125 grams of CO₂ per kilometer but we achieved 115 grams. Vans also stayed below the threshold in Europe.

It is a clear sign: We are on the right track. We are determined to continue on this path. This also applies to the topic of software. Our third priority for this year.

Accelerate digitization

We are creating 3,000 new jobs worldwide in this area. Of these, a significant proportion have already been filled. This also applies to our software center in Sindelfingen, Germany. There we are driving forward the development of our own operating system "MB.OS".

We also reached important milestones in automated driving. This year, highly automated driving on SAE Level 3 will go into series production at our company. We are the first manufacturer to obtain a globally valid permit to launch such a system. We start in Germany.

Our digital expertise is also crucial in sales: By the end of the year, our online store should be available in 38 countries. By 2025, we want to process 25 percent of sales online.

Our customers should be able to conclude leasing or financing agreements completely digitally, in less than ten minutes. This is already possible today. The fastest customer to take advantage of this digital service came from China. He did it in just three minutes.

Current studies show: For most people, the customer experience is just as important as the product itself. That's another reason why we think of luxury as part of a bigger picture. Our standards go far beyond our vehicles. It applies wherever customers come into contact with our brand.

That brings me to the fourth priority this year: We want to further expand the luxury business.

Expand luxury business

Mercedes-Benz has always been a luxury brand. But we are always rethinking and redefining the extraordinary.

The luxury market is growing. Just like the sales of our top-end models: In 2021, we sold 30 percent more than in the previous year.

Mercedes-Benz is the most valuable luxury automotive brand in the world. This is a commitment. We want to meet the expectations of millions of people. And surpass them.

How? Take the example of technology.

Of course, our customers expect a Mercedes to be comfortable to drive. That's why we offer rear-axle steering with a steering angle of up to 10 degrees on the EQS, for example. This is an increase in comfort that can be felt every time you maneuver.

It probably impresses you on a subconscious level.

But we also offer the special at first sight. The extraordinary. That's why our customers don't just get a screen like in other cars. They will get the hyperscreen. The largest and most intelligent screen ever installed in our cars.

So we want to do both: To reliably meet expectations with cutting-edge technology. And at the same time always surpass them.

The following applies: Modern luxury is sustainable. With this, we will fascinate more and more people: In 2021, sales of our electric cars increased by more than 90 percent. In 2022, they are expected to grow by more than 100 percent. Our electric offensive is having an effect.

The direction is right. When it comes to the financial robustness of the company, too. The fifth priority for 2022.

Steady cost discipline

We are much more robust financially today. We will continue to work consistently on efficiency. We will be prudent in our spending. And make our investments in a targeted manner. Success will not tempt us to do less. On the contrary: It is an incentive to become even better.

As a Swede, I don't need to teach the Swabians how to save. But we are determined to use this virtue to equip Mercedes-Benz even more strongly to tackle all challenges.

Ladies and gentlemen,

when we presented our new strategy in October 2020, we promised: We will deliver.

And today we say: We do not let up.

- We are becoming fully electric step by step.
- We are getting stronger and stronger in software.
- We are expanding our luxury business.
- And we are steadying our pursuit of efficiency.

This vehicle is emblematic of all this: the Vision EQXX. We unveiled it at the beginning of this year. An electric car for pushing the limits of the possible. It travels more than 1,000 kilometers - without needing to charge.

We proved that this month during a record drive from Sindelfingen, Germany, to the Côte d'Azur, France. The efficiency was outstanding: 8.7 kilowatt hours per 100 kilometers. At the destination, the car still had 140 kilometers in the battery.

This is made possible by a state-of-the-art drivetrain, optimized aerodynamics, bionic lightweight structures, novel materials and much more.

This car is not a study. It is a technology programme from which we learn for our series production. This includes digital development and interdisciplinary teams. They make us faster and more efficient.

Our task is clear: Making individual mobility climate-neutral and digitizing it. And the Vision EQXX makes it clear how we want to get there.

Our transformation did not start today. We have already come a long way. And it will not be done tomorrow. It is the task of our generation.

Dear Shareholders,
we are delighted that you are taking this path into the future with us!

And with a name that stands out all by itself:
WE are Mercedes-Benz.
